

# Committee on Ways and Means

## U.S. Economy Leads Strong Global Growth

The American economy continues to lead the world with a 4.7 percent unemployment rate and real average growth of 3.9 percent since the beginning of 2003.

- ✓ *Growth in tax receipts has been strong and sustainable*
  - Federal tax receipts grew 6 percent in 2004, 15 percent in 2005, and are up 11 percent so far in 2006.
- ✓ *The housing market is cooling off, but home sales remain strong*
  - The number of existing homes sold in February was down slightly (-0.3 percent) from February one year ago.
  - Existing home sales are up 33 percent from 2001.
  - Median home prices are up 11 percent in the last year.
  - American households are experiencing record net worth of \$52 trillion, supported by strong growth in the housing market.
- ✓ *The stock market is booming, reaching a six-year high*
  - The Dow Jones Industrial Average closed at 11,343 on Thursday, April 20<sup>th</sup>, a six-year high.
  - The NASDAQ and the S&P 500 are at five-year highs.
- ✓ *Real earnings are up in the last six months*
  - Real average weekly earnings, a measure of the size of workers' paychecks, have grown at an average annual rate of 4.2 percent in the last six months.
- ✓ *The world economy is projected to grow at a robust 4.9 percent in 2006*
  - Global growth creates markets for American-made goods, supports U.S. exports, and creates high-paying jobs for Americans.
  - According to the International Monetary Fund (IMF), the United States, the largest economy in the world, led the G-7 industrialized nations with a growth rate of 3.4 percent in 2005.
  - The IMF is predicting a strong global recovery in 2006, with real world growth of 4.9 percent.
  - The global recovery is helped by strong growth in the developing economies of Asia, which grew at 8.6 percent in 2005, and Africa, which grew at 5.5 percent in 2005.